



4830-01-p

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for U.S. Employment Tax Returns and Related Forms; Forms CT-1, CT-1X, CT-2, SS-8, SS-8 (PR), W-2, W-2 AS, W-2 C, W-2 GU, W-2 VI, W-3, W-3 (PR), W-3 C, W-3 C (PR), W-3 SS, 940, 940 (PR), 940 SCH A, 940 SCH A (PR), 940 SCH R, 941, 941 (PR), 941 SCH B, 941 SCH B (PR), 941 SCH D, 941 SCH R, 941 SS, 941 X, 941 X (PR), 943, 943 (PR), 943 A, 943 A (PR), 943 SCH R, 943 X, 943 X (PR), 944, 944 X, 945, 945 A, 945 X, 2032, 2678, 8027, 8027 T, 8453 EMP, 8879 EMP, 8922, 8952, and 8974

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (PRA). The IRS is soliciting comments on U.S. Employment Tax Returns and related Forms.

DATES: Written comments should be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** to be assured of consideration.

ADDRESSES: Direct all written comments to Laurie Brimmer, Internal Revenue Service, room 6526, 1111 Constitution Avenue NW, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form and instructions should be directed to Kerry Dennis, at (202) 317-5751, Internal Revenue Service, room 6526, 1111 constitution Avenue NW, Washington, DC 20224, or through the internet, at Kerry.Dennis@irs.gov.

SUPPLEMENTARY INFORMATION:

Today, over 70 percent of all employment tax returns are prepared using software or with preparer

assistance. In this environment, in which many taxpayers' activities are no longer as directly associated with particular forms, estimating burden on a form-by-form basis is not an appropriate measurement of taxpayer burden.

There are 50 employment tax related forms used by 7,000,000 taxpayers. These include Forms CT-1, CT-1X, CT-2, SS-8, SS-8 (PR), W-2, W-2 AS, W-2 C, W-2 GU, W-2 VI, W-3, W-3 (PR), W-3 C, W-3 C (PR), W-3 SS, 940, 940 (PR), 940 SCH A, 940 SCH A (PR), 940 SCH R, 941, 941 (PR), 941 SCH B, 941 SCH B (PR), 941 SCH D, 941 SCH R, 941 SS, 941 X, 941 X (PR), 943, 943 (PR), 943 A, 943 A (PR), 943 SCH R, 943 X, 943 X (PR), 944, 944 X, 945, 945 A, 945 X, 2032, 2678, 8027, 8027 T, 8453 EMP, 8879 EMP, 8922, 8952, and 8974.

Related Internal Revenue Service and The Department of Treasury Guidance:

26 CFR 31.6001-1 Records in general; 26 CFR 31.6001-2 Additional Records under FICA; 26 CFR 31.6001-3, Additional records under Railroad Retirement Tax Act; 26 CFR 31.6001-5 Additional records

Tip Reporting Alternative Commitment (TRAC) Agreement for Use in the Cosmetology and Barber Industry to Employment Tax

Reg-111583-07(TD 9405)(Final) -- Employment Tax Adjustments; REG-130074-11 - Rules Relating to Additional Medicare Tax

For most of these collections, IRS has in the past obtained separate OMB approvals under unique OMB Control Numbers and separate burden estimates. With this notice, the IRS is announcing significant changes to (1) the manner in which tax forms used by employers will be approved under the PRA and (2) its method of estimating the paperwork burden imposed on all employers.

Tax Compliance Burden:

Tax compliance burden is defined as the time and money taxpayers spend to comply with their tax filing responsibilities. Time-related activities include recordkeeping, tax planning, gathering tax materials, learning about the law and what you need to do, and completing and submitting the return. Out-of-pocket costs include expenses such as purchasing tax software, paying a third-party preparer, and

printing and postage. Tax compliance burden does not include a taxpayer's tax liability, economic inefficiencies caused by sub-optimal choices related to tax deductions or credits, or psychological costs. The TCBM estimates the aggregate burden imposed on business taxpayers, based upon their tax-related characteristics and activities. IRS therefore will seek OMB approval of all 50 Employment Tax forms as a single "collection of information." The aggregate burden of these tax forms will be accounted for under OMB Control Number 1545-0029, which is currently assigned to Form 941, 941-PR, 941-SS, 941-X, 941-X(PR), Schedule B (Form 941), Schedule B (Form 941-PR), Schedule R (Form 941), 941-SS-V, 941-V, 941-X, 941-X(PR) and its related schedules. OMB Control Number 1545-0029 will be displayed on all employment-tax forms and other related information collections. As a result, employment tax burden-related estimates will be displayed differently in PRA Notices on tax forms and other information collections, and in Federal Register notices. This way of displaying burden is presented below under the heading "Proposed PRA Submission to OMB." For more information about tax compliance burden and the TBM, go to the article "Tax Compliance Burden" posted on the IRS website at <https://www.irs.gov/pub/irs-soi/d13315.pdf>.

Taxpayer Burden estimates

The estimates are subject to change as new forms and data become available.

Proposed PRA Submission to OMB

Title: U.S. Employment Tax Returns and related Forms.

OMB Number: 1545-0029.

Form Numbers: Forms CT-1, CT-1X, CT-2, SS-8, SS-8 (PR), W-2, W-2 AS, W-2 C, W-2 GU, W-2 VI, W-3, W-3 (PR), W-3 C, W-3 C (PR), W-3 SS, 940, 940 (PR), 940 SCH A, 940 SCH A (PR), 940 SCH R, 941, 941 (PR), 941 SCH B, 941 SCH B (PR), 941 SCH D, 941 SCH R, 941 SS, 941 X, 941 X (PR), 943, 943 (PR), 943 A, 943 A (PR), 943 SCH R, 943 X, 943 X (PR), 944, 944 X, 945, 945 A, 945 X, 2032, 2678, 8027, 8027 T, 8453 EMP, 8879 EMP, 8922, 8952, and 8974.

Abstract: These forms are used by employers to report their employment tax related activity. The data

is used to verify that the items reported on the forms are correct.

Current Actions: The burden estimation methodology for employment tax is being transitioned from the legacy ADL model to the Taxpayer Burden Model. The changes discussed above result in a burden hour estimate of 575,000,000 hours, a decrease in total estimated time burden of 53,519,249 hours. The newly-reported total out-of-pocket costs is \$15,030,000,000 and total monetized burden is \$25,200,000,000. These changes are solely related to the transition of the burden estimate from the legacy Arthur D. Little Model methodology to the RAAS Taxpayer Burden Model. This is a one-time change.

Type of Review: Revision of currently approved collections.

Estimates Total Time (Hours)	575,000,000
Estimated Total Out-of-Pocket Costs	\$15,030,000,000
Estimated Total Monetized Burden	\$25,200,000,000

Affected Public: Employers.

Estimated Number of Respondents: 7,000,000.

Total Estimated Time: 575,000,000 hours.

Estimated Time Per Respondent: 82 hours.

Total Estimated Out-of-Pocket Costs: \$15,030,000,000.

Estimated Out-of-Pocket Cost Per FY2020 Respondent: \$2,147.

Total Estimated Monetized Burden: \$25,200,000,000.

Estimated Monetized Burden Per FY2020. Respondent: \$3,600.

Note: Amounts below are for FY2020. Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. Detail may not add due to rounding.

Fiscal Year 2020 ICB Estimates for Form 94X series and related forms, schedules, and regulations					
ADL 2020 to Taxpayer Burden Model 2020					
	ADL method (legacy) FY 2020	Program Change due to Adjustment in estimate	Program Change due to New Legislation	Program Change due to Agency discretion	Taxpayer Burden Model FY 2020
Number of Taxpayers	333,600,411	326,600,411			7,000,000
Burden in Hours	628,519,249	(53,519,249)	0	0	575,000,000
Burden in Dollars		\$15,030,000,000	0	0	\$15,030,000,000
Monetized Total Burden		\$25,200,000,000	0	0	\$25,200,000,000

Detail may not add due to rounding

Source RAAS:KDA:TBL 7/10/2019

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB Control Number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: July 22, 2019.

Laurie Brimmer,
Senior Tax Analyst.

Appendix A

Form	Title / Description	OMB Number
CT-1	Employer's Annual Railroad Retirement Tax Return	1545-0001
CT-1X	Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund	1545-0001
CT-2	Employee Representative's Quarterly Railroad Tax Return	1545-0002
SS-8	Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding	1545-0004
SS-8 (PR)	Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax (Puerto Rican Version)	1545-0004
W-2	Wage and Tax Statement	1545-0008
W-2 AS	American Samoa Wage and Tax Statement	1545-0008
W-2 C	Corrected Wage and Tax Statement	1545-0008
W-2 GU	Guam Wage and Tax Statement	1545-0008
W-2 VI	U.S. Virgin Islands Wage and Tax Statement	1545-0008
W-3	Transmittal of Wage and Tax Statements	1545-0008
W-3 (PR)	Transmittal of Withholding Statements (Puerto Rican Version)	1545-0008
W-3 C	Transmittal of Corrected Wage and Tax Statements	1545-0008
W-3 C (PR)	Transmittal of Corrected Wage and Tax Statements (Puerto Rican Version)	1545-0008
W-3 SS	Transmittal of Wage and Tax Statements	1545-0008
940	Employer's Annual Federal Unemployment (FUTA) Tax Return	1545-0028
940 (PR)	Employer's Annual Federal Unemployment (FUTA) Tax Return (Puerto Rican Version)	1545-0028
940 SCH A	Multi-State Employer and Credit Reduction Information	1545-0028
940 SCH A (PR)	Multi-State Employer and Credit Reduction Information (Puerto Rican Version)	1545-0028
940 SCH R	Allocation Schedule for Aggregate Form 940 Filers	1545-0028
941	Employer's Quarterly Federal Tax Return	*1545-0029
941 (PR)	Employer's Quarterly Federal Tax Return	*1545-0029
941 SCH B	Report of Tax Liability for Semiweekly Schedule Depositors	*1545-0029
941 SCH B (PR)	Supplemental Record of Federal Tax Liability (Puerto Rican Version)	*1545-0029
941 SCH D	Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations	*1545-0029

Form	Title / Description	OMB Number
941 SCH R	Reconciliation for Aggregate Form 941 Filers	*1545-0029
941 SS	Employer's QUARTERLY Federal Tax Return (American Samoa, Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands)	*1545-0029
941 X	Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund	*1545-0029
941 X (PR)	Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund (Puerto Rico Version)	*1545-0029
943	Employer's Annual Tax Return for Agricultural Employees	1545-0035
943 (PR)	Employer's Annual Tax Return for Agricultural Employees (Puerto Rican Version)	1545-0035
943 A	Agricultural Employer's Record of Federal Tax Liability	1545-0035
943 A (PR)	Agricultural Employer's Record of Federal Tax Liability (Puerto Rican Version)	1545-0035
943 R	Allocation Schedule for Aggregate Form 943 Filers	1545-0035
943 X	Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund	1545-0035
943 X (PR)	Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund	1545-0035
944	Employer's ANNUAL Federal Tax Return	1545-2007
944 X	Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund	1545-2007
945	Annual Return of Withheld Federal Income Tax	1545-1430
945 A	Annual Record of Federal Tax Liability	1545-1430
945 X	Adjusted ANNUAL Return of Withheld Federal Income Tax or Claim for Refund	1545-1430
2032	Contract Coverage Under Title II of the Social Security Act	1545-0137
2678	Employer/Payer Appointment of Agent	1545-0748
8027	Employer's Annual Information Return of Tip Income and Allocated Tips	1545-0714
8027 T	Transmittal of Employer's Annual Information Return of Tip Income and Allocated Tips	1545-0714
8453 EMP	Employment Tax Declaration for an IRS e-file Return	1545-0967
8879 EMP	IRS e-file Signature Authorization for Forms	1545-0967

Form	Title / Description	OMB Number
	940, 940-PR, 941, 941-PR, 941-SS, 943, 943-PR, 944, and 945	
8922	Third-Party Sick Pay Recap	*1545-0123
8952	Application for Voluntary Classification Settlement Program (VCSP)	1545-2215
8974	Qualified Small Business Payroll Tax Credit for Increasing Research Activities	1545-0029
<p>*1545-0123 will not be discontinued. It is the Business collection and 8922 will be included in both the Business collection and the Employment Tax collection.</p> <p>*1545-0029 will not be discontinued it will be the number assigned to all Forms within the employment tax collection.</p>		

Appendix B

Guidance Title / Description	OMB Number
26 CFR 31.6001-1 Records in general; 26 CFR 31.6001-2 Additional Records under FICA; 26 CFR 31.6001-3, Additional records under Railroad Retirement Tax Act; 26 CFR 31.6001-5 Additional records	1545-0798
Tip Reporting Alternative Commitment (TRAC) Agreement for Use in the Cosmetology and Barber Industry to Employment Tax	1545-1529
Reg-111583-07(TD 9405)(Final) -- Employment Tax Adjustments; REG-130074-11 - Rules Relating to Additional Medicare Tax	1545-2097

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